

## Message Text

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PAGE 01 KUWAIT 00049 050810Z

17

ACTION NEA-10

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R 050714Z JAN 76

FM AMEMBASSY KUWAIT

TO USDOC WASHDC

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UNCLAS KUWAIT 0049

E.O. 11652 N/A

TAGS: BEXP, EWWT, KU

SUBJ: NEW KUWAITI FIRM INTERESTDIN JOINT VENTURE.

1. EMBASSY VISITED BY MR. SAUD AL-MUDHAYAN, WHO INFORMED EMBOFFS THAT HE HAS RECENTLY ESTABLISHED COMPANY (NAMED ANCHOR CI/, AND BASED AT SHUWEI) TO PROVIDE SERVICES OF VARIOUS TYPES TO THE MANY SHIPS ANCHORED IN THE GUIZF REGION'S PORTS. HE HAS ASKED EMBASSY FOR INFORMATION ON AMERICAN FIRMS INTERESTED INHZNTERING INPO A JOINT VENTURE OPERATION WITH HIS FIRM. ALTHOUGH A PRIME INTEREST OF MR. MUDHAYAN IS TO ACQUIRE EQUIPMENT, PARTICULARLY SHIPS, SO THATJPIS FIRM CAN BEGIN OPERATIONS, HE EMPHASIZED THAT HIS PURPOSE IS MORE THAN THE PURCHASE OF SHIPS, BUT A JOINT VENTURE ARRANGEMENTS THAT WOULD INCLUDE OPERATING PERSONNEL, AND TRAINING, AS WELL AS EQUIPMENT. AL-MUDHAYAN EMPHASIZED THAT TIME IS IMPORTANT. HE MENTIONED THAT HE HAS ALREADY TALKED WITH REPRESENTATIVES OF KOREAN AND JAPANESE FIRMS, BUT HE FELT THAT HE WOULD BE ABLE TO OBTAIN A MORE RAPID RESPONSE FROM AMERICAN FIRMS. FOR REASONS OF SPEED, HE OFFERED TO TRAVEL TO THE UNITED STATES TO TALK WITH INTERESTED AMERICANFIRMS RE JOINT VENTURE PROPOSAL, ALTHOUGH HE WELCOMES VISITS BY AMERICAN REPRESENTATIVES TO KUWAIT AS WELL.

2. AL-MUDHAYAN DESCRIBED THE CONTEMPLATED SERVICES OF HIS FIRM AND THE NECESSARY EQUIPMENT. HIS COMPANY INTENDS TO PROVIDE FUEL BUNKERAGE AND FRESH WATER FACILITIES TO SHIPS IN ALL THE MAJOR GULD PORTS. THE FIRM ALSO WILL PROVIDE BARGE AND LIGHTER SERVICE FOR SHIPS DELAYED IN ONE PORT  
UNCLASSIFIED

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PAGE 02 KUWAIT 00049 050810Z

TO UNLOAD CARGOES DESTINED FOR THAT PORT OR FOR OTHER

GULF PORTS. FOR THESE PURPOSES HIS FIRM INTENDS TO ACQUIRE FROM HIS JOINT-VENTURE PARTNER THE FOLLOWING SHIPS: THREE 3,650 DWT, LIGHTERS; A 650 DWT FRESH WATER TANKER; SOME 1000-3000 DWT LIGHT FUEL OIL & DIESEL FUEL TANKERS; TWO HEAVIER (18,500-20,000 LONG TON) BUNKERAGE TANKERS. ALL THESE SHIPS TO BE BOW THRUSTER, TURBINE SCREW SELF-PROPELLOR TYPE. AL-MUDHAYAN EMPHASIZED THAT THE SHIPS MUST BE IN GOOD CONDITION, BUT THAT THEY NEED NOT BE NEW.

3. COMMENT: EMBASSY HAS OBSERVED A RAPID EXPANSION IN GULF SHIPPED IN PAST FEW YEARS. IN MANY CASES, INFRASTRUCTURE AT GULF PORTS HAVE NOT KEPT PACE WITH THIS EXPANSION. CONSEQUENTLY, LONG DELAYS AND ADDED EXPENSE HAVE BEEN ENCOUNTERED AS SHIPS HAVE BEEN FORCED TO WAIT IN VARIOUS HARBORS (ESPECIALLY KUWAIT'S, WHERE FACILITIES ARE GENERALLY GOOD) FOR SPACE TO OPEN UP IN OTHER GULF PORTS. EMBASSY BELIEVES THAT THERE EXISTS AN OPPORTUNITY FOR FIRM TO USE SMALLER DRAFT VESSELS (BARGES AND LIGHTERS) TO UNLOAD AND TRANSFER CARGO FROM HEAVY TONNAGE VESSELS TO THESE PORTS. IN PARTICULAR KUWAIT'S PORT FACILITIES MAKE IT A NATURAL LOCATION FOR FIRMS SUCH AS ANCHOR. EMBASSY THEREFORE FEELS THAT ANCHOR JOINT VENTURE INTEREST PRESENTS A SIGNIFICANT OPPORTUNITY TO EXCESS-CAPACITY-PLAGUED AMERICAN SHIPPING FIRMS.

4. ACTION REQUESTED: EMBASSY REQUESTS COMMERCE/CAGNE CIRCULATE INFORMATION ON ANCHOR JOINT VENTURE INTEREST TO AMERICAN SHIPPING FIRMS. COMMERCE SHOULD PROVIDE NAMES OF FIRMS WHO EXPRESS AN INTEREST TO EMBASSY FOR TRANSMITTAL TO MR. AL-MUDHAYAN. FIRMS CAN ALSO CONTACT HIM AT FOLLOWOING ADDRESS: MR. SAUD A. AL-MUDHAYAN, INFORMATION DEPARTMENT, KUWAIT OIL CO. AHMADI-84, KUWAIT. CABLE: KUACO KUWAIT.

5. EMBASSY RECALLS A VISIT BY A MW. ROBERT GORDON, AN ATTORNEY WHO REPRESENTS CLIENTS INTERESTED IN INTER-REGIONAL GULF SHIPPING MATTERS. EMBASSY REQUESTS COMMERCE CONTACT MR. GORDON AND INFORM HIM OF JOINT-VENTURE PORPOSAL AT FOLLOWING ADDRESS: ROBERT D. &94\$9., ATTORNEY AT LAW, 500 BOYSTON STREET, BOSTON MASSACHUSETTS 0210#. TWX: 710-321-1074 (HOBART MCBSN)  
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PAGE 03 KUWAIT 00049 050810Z

6. WTDR IN PREPARATION.  
STOLTZFUS

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## Message Attributes

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